

June 2003

### **Hawaii's 8(a) BD Program Resource**

Issue 1

#### **U.S. Small Business Administration Hawaii District Office**

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#### **8(a) Stats**

Number of Firms in the Hawaii  
District Office Portfolio  
As of May 31, 2003: **198**

Participants approved in May 2003:

M.D. Crisostomo, Inc.  
Masoud & Company

- Your rights to regulatory fairness:  
1-800-REG-FAIR  
• SBA Home Page: [www.sba.gov](http://www.sba.gov)

*All of the SBA's programs and services are  
provided to the public on a nondis-  
crimatory basis.*

#### **WHAT IS 8(A) NEWS?**

The Hawaii District Office is pleased to present our first 8(a) newsletter. This quarterly newsletter will provide information, statistics, and updates on upcoming events and changes within SBA. We hope you find this newsletter informative and helpful during your participation in the 8(a)BD program.

#### **ARE YOU CURRENT ON 8(A) BD PROGRAM REPORTING REQUIREMENTS?**

Each year of participation in the 8(a) BD program, a participant **must** submit at minimum financial statements, an annual update, and SBA Form 1790 (semi-annually). Additionally, the information must be submitted within a specified period as stated in 13 CFR 124.

Is it important that you submit your information in a timely manner? **Absolutely**, since failing to do so may result in your firm being ineligible to receive 8(a) program assistance which includes not being eligible for 8(a) sole-source and 8(a) competitive contracts. Further, a pattern of failure to make required submissions or responses to SBA may lead to suspension and termination from the 8(a) BD program.

#### **Financial Statements**

Each Participant **must** submit financial statements within 90 or 120 days after the close of a Participant's fiscal year depending on its gross annual receipts. Participants with gross annual receipts of more than \$5,000,000 must submit audited financial statements within 120 days after the close of its fiscal year. Participants with gross annual receipts between \$1,000,000 and \$5,000,000 must submit reviewed financial statements within 90 days after the close of its fiscal year. Participants with gross annual receipts of less than \$1,000,000 must submit in-house or a compilation statement within 90 days after the close of its fiscal year.

A Participant seeking to be awarded an 8(a) contract between the close of its fiscal year and such 90 or 120-day time period must submit a final sales report signed by the CEO or President to SBA in order for SBA to determine the concern's eligibility for the 8(a) contract. This report must show a breakdown of 8(a) and non-8(a) sales.

Notwithstanding the amount of a Participant's gross annual receipts, SBA may require audited or reviewed statements.

#### **Annual Review**

Each Participant **must** submit a modified business plan and updated information to its BOS within thirty (30) days after the close of each program year.

#### **Form 1790**

Each Participant **must** submit semi-annually a written report to its assigned BOS

that includes a listing of any agents, representatives, attorney, accountants consultants and other parties receiving fees, commissions, or compensation of any kind to assist such Participant in obtaining a Federal contract.

If you have any questions regarding reporting requirements, please consult your assigned BOS.

## **CONSIDERING A CHANGE IN YOUR FIRM'S BUSINESS STRUCTURE, OWNERSHIP, MANAGEMENT AND/OR CONTROL...**

**STOP. Before proceeding, contact your assigned BOS.** Although it is possible for a participant to change its business structure, ownership, management and/or control, a participant must first receive SBA's prior written approval.

Why? Because SBA must determine that the small business remains unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of the United States. If you proceed with a change prior to receiving SBA approval, SBA will suspend the participant from program benefits pending resolution of the request. This includes not being eligible for 8(a) sole-source and 8(a) competitive contracts. An unapproved change is also a potential reason for SBA to seek to terminate the participation of a concern in the 8(a) BD program.

A few examples when SBA's prior written approval is required:

- Change in business structure
- Addition of a new owner
- Buyout of an existing owner
- Change in the percentage ownership of existing owners
- Add or replace an officer and/or director
- Compensate a non-disadvantaged individual more than the disadvantaged individual

Remember, contact your BOS prior to a change in business structure, ownership, management and/or control. This will save a participant time and help a participant maintain its eligibility while SBA considers the request.

## **CHANGES TO BE AWARE OF**

**Annual Update Packets**...As of May 2003, all annual update packets are being sent by Registered E-Mail. Please submit hardcopies of the entire packet along with supporting documentation to SBA within 30 days after the close of your firm's program year.

**8(a) Competitive Offers**...As of May 2003, the Hawaii District Office will no longer announce when an 8(a) competitive requirement has been accepted. Please refer to FEDBIZOpps at [www.fedbizopps.gov](http://www.fedbizopps.gov) for synopsis and/or solicitation information on 8(a) competitive requirements.

**Workforce Transformation**...SBA is studying the centralization of several "back office" functions. One function currently being studied is the processing of annual updates. What does this mean to a participant? Well, the process is unknown at this time. However, one thing for sure is that you will be dealing with a processing center and not your assigned BOS. To ease your

## **UPCOMING EVENTS**

### **DoD Hawaii Small Business Outlook Forum**

Place: Honolulu Country Club

Location: 1690 Ala Puumalu, Honolulu, HI

Date: July 29, 2003

Time: To be determined

### **2<sup>nd</sup> Annual MED WEEK Celebration**

Place: Hale Koa Hotel

Location: 2055 Kalia Road, Honolulu, HI

Date: August 1, 2003

Time: 11:30a.m. to 1:00p.m. (tentative)

### **Guam – BOS Contract Matchmaking Event**

Place: To be determined

Location:

Date: August 13, 2003

Time: To be determined

### **"MBDC of Honolulu's 2002 Minority Construction Firm of the Year Alan Shintani, Inc"**



*MBDC's Jean Williams, Alan and Jennifer Shintani, MBDC National Director Ronald Langston*

transition, understand reporting requirements and when might SBA's prior written approval be required. Thereafter, be prepared to submit complete reports on time.

**BOA Holders**...Remember that the Navy requires BOA Holders to update their information no less than annually in order to participate in the BOA Program. Additionally, the Navy may periodically issue synopses that require BOA Holders to respond in order to participate in the BOA Program. Therefore, BOA Holders must regularly refer to <http://www.esol.navfac.navy.mil> for information on the BOA Program. ###